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Research News for the U.S. Travel Industry

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TRAVEL PRINTOUT

US Travel Data Center

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Travelers Spend $289 Billion on U.S. Trips in 1987

U.S. residents and foreign visitors spent $289 billion on travel in America and its territories during 1987. Americans alone spent $274 billion in travel, a 8 percent jump over the previous year.

These preliminary estimates and other measures of travel's economic significance are contained in TravelTab 1988, a quick reference guide to current travel trends released by the US Travel Data Center.

According to the reference, in 1987 the travel industry as a whole employed 5.34 million people, generated a payroll of $64.3 billion, a 9.4 percent increase from 1986. Travel-related employment rose half as much, 4.1 percent indicating higher salaries within the industry.

U.S. residents took nearly 1.2 billion person-trips and stayed 5.5 billion person-nights away from home in 1987. (A person-trip is measured each time anyone goes 100 miles or more away from home.)

Business and convention travel showed the largest growth, a 10 percent increase over 1986.

Forty million Americans spent over $20 billion on travel in foreign countries, while visitors from other countries spent $15.4 billion here in 1987.

TravelTab 1988 collects the most important summary statistics on travel by U.S. residents, travel's impact on the economy, trends in travel prices, inbound and outbound foreign travel and more. It is available for $8.00 from the US Travel Data Center, 1133 21st Street, NW, Washington, D.C. 20036.

The pocket sized brochure is ideal for give-aways at industry meetings, and special bulk rates are available for orders of 100 copies or more. Contact Ida Simmons, Communications Manager, at 202/293-1040.##

1989 Travel Outlook Forum Looks Beyond Uncertainty

Approaching the end of the 1980's, the travel industry has more questions than answers: Will the recent surge in marketing expenditures increase competition? Will changes in the population offer opportunities for new business?

Looking beyond uncertainty, the US Travel Data Center's fourteenth annual Travel Outlook Forum, co-sponsored by the Travel and Tourism Research Association, will forecast the industry's prospects for growth in 1989.

The 1989 Travel Outlook Forum, in conjunction with the 1988 Travel Industry National Conference, will be held on October 3-6 at the Radisson in Denver.

Experts on the economy and consumer spending will sketch the environment in which the travel industry will operate in 1989.

One of the keynote speakers, Dr. Steven R. Malin, senior economist for The Conference Board in New York City, will give

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Travel Costs Increase Slightly in April

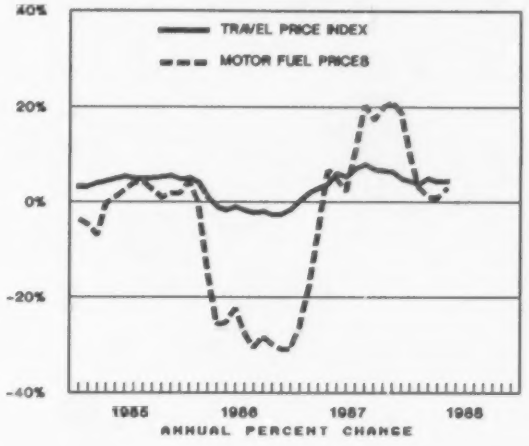
Declines in lodging and entertainment prices held travel costs to a modest increase in April 1988, as the US Travel Data Center's Travel Price Index (TPI) rose 0.4 percent from March.

For comparison, overall consumer goods and services costs, as measured by the Consumer Price Index (CPI), increased 0.5 percent in April.

The TPI, which measures changes in the seasonally unadjusted prices of lodging, food, transportation, and other goods and services purchased by Americans traveling away from home in the United States, reached 119.2 (1982-84=100) in April.

Motor fuel prices, increasing for the first time since August 1987, rose 2.5 percent in April. Meanwhile, lodging prices fell more than 0.5 percent, the first decrease this year.

Over the past twelve months, the TPI has risen 4.4 percent while the CPI has gained 3.9 percent. Despite this month's decline, lodging prices lead all other components with a 7.2 percent rise since April 1987. The cost of entertainment has shown the second largest increase, 6.5 percent. ##



Monthly and Annual Rates of Change in the Travel Price Index and Components
April 1988

TPI Component	Monthly Percent Change March 1988 to April 1988	Annual Percent Change April 1987 to April 1988
Transportation	1.9	1.0
Airline Fares	1.3	0.8
Other Intercity Trans.	0.1	3.0
Intracity Public Trans.	0.1	1.6
Motor Fuel	2.5	1.1
Lodging	-0.5	7.2
Food and Beverages Away From Home	0.4	4.1
Entertainment	-0.2	6.5
TRAVEL PRICE INDEX	0.4	4.4
CONSUMER PRICE INDEX	0.5	3.9

Source: US Travel Data Center and the U.S. Bureau of Labor Statistics

TRAVEL PRINTOUT is published monthly by the US Travel Data Center, the national non-profit center for travel and tourism research, and an affiliate of Travel Industry Association of America, Two Lafayette Centre, 1133 21st Street NW, Washington, D.C. 20036. Telephone: 202/293-1040. Suzanne D. Cook, Director. Ida Simmons, Editor. Julie Bowers, Assistant Editor.

Travel Printout reports on Data Center Projects, national travel research conducted by other respected organizations, and trends in the U.S. travel industry. Subscriptions are $70 per year, U.S., Canada and Mexico; other foriegn countries, $80 per year, payable in U.S. funds only. ISSN: 0744-6233.

Focus Groups Help Determine Florida's Advertising Strategy

By Barry Pitegoff

Barry Pitegoff, administrator of the Office of Marketing Research of the Florida Division of Tourism, is responsible for coordinating the division's marketing research programs on tourism and travel trends.

"The Rules Are Different Here," a theme developed for Florida's 1987 domestic advertising campaign, was the direct result of eight focus group sessions, conducted by the Florida Division of Tourism market research program. The groups, comprised of repeat visitors, all used paid lodging on their trips to the sunshine state. The goal was to assess the position of Florida as a vacation possibility in visitors' plans.

Organized by The Response Analysis Corporation of New Jersey, the groups were conducted in each of four major origin markets for Florida. Participants spoke most often of how their stay in Florida presented a contrast to their everyday routine. They liked the idea that they could wake up when they pleased and then stay out all night if they wished. In Florida, and for those two weeks of vacation, "the rules were different."

Insights from these advertising "positioning" focus groups led to the development of three television commercials with "spokepersons" telling potential vacationers that the rules were different in Florida. The spokespersons were a beach lifeguard, a hotel bellhop, and a child in a boat. These commercials aired primarily in the major United States origin markets of Florida vacation travel.

However, Canadian visitation to Florida plays an increasingly important role in the state's tourism market, so Canadian markets were considered for an extension of the advertising program. In 1986, 1.5 million Canadians visited the sunshine state. This placed Florida as the number two state for Canadian travelers to the United States on the basis of total Canadian visitors. In addition, Florida's share of the total annual Canadians' travel spending in the United States for 1986 was 27.9 percent or $698 million (U.S. dollars). The volume of Canadian visitors is now large enough to be considered a "top ten market."

Therefore, the Florida Department of Commerce's Division of Tourism needed to learn how to extend the carefully developed domestic advertising campaign into Canada and what general principles could be developed about extending future campaigns into Florida.

The key assumptions were that Canadian media usage are similar to that of the United States, and that the environs in which television commercials are shown in each country are similar enough that extending the American commercial campaign into Canada would be relatively easy.

Ten "modified" focus group

sessions were held to investigate this by including a quantitative component. Respondents were each given hand-held, calculator-sized microcomputers, and shown a reel of commercials which included the Florida test commercials. They were asked to give their moment to moment reaction to each commercial by pressing a button on the computer, which represented their feelings, at any given moment during the commercial when something (e.g. action, music, character) made them feel more positive, negative, or neutral.

The findings of these group sessions showed that Canadians' reactions were very similar to Americans' reactions to this advertising campaign. Recall scores were high, and the tendency to agree with a battery of attitude questions about Florida, after seeing the commercials, was also above average.

The discussions also reinforced three other major points for the development of effective extensions of domestic campaigns into Canada.

(1) It is necessary to pay close attention to the nuances of the French Canadian language and culture. Translations should be cross checked for local appropriateness. (2) The stereotype symbolism of the destination is very important, whether or not the consumer will use it. In Florida, examples may include palm trees, sunny beaches, and major attractions. (3) The "visitors" shown in the commercial do not have to cover all segments desired. It was not necessary, for example, to show families in the commercials to retain the high positioning of Florida as a family destination.

Although the campaign used in this project is about to be replaced with new Florida advertising, this study provided the insights necessary to effectively extend a new campaign into Canada. Focus groups and consumer reaction in simulated viewing situations proved to be valuable tools along the way. ##

Forum (continued from page 1)

the forum a grass roots flavor by discussing the economic outlook for each region of the U.S., as well as presenting the economic outlook for the entire country.

Malin has served as director of The Conference Board's Regional Economies and Markets (REM) Program since its inception in 1986. Under Malin's direction, the REM Program produces a quarterly report and various articles on business, demographic and industrial issues confronting regions.

Prior to joining The Conference Board, Malin was the senior analyst for corporate planning for CBS, Inc. He is a member of the adjunct faculty of the City University of New York and the author of numerous articles on regional economics and business conditions.

Malin is a graduate of Queens College and earned a Ph.D. from the City University of New York.

The 1989 Travel Outlook Forum registration for TIA/USTDC/TTRA members is $195 each, non-members pay $220. For the entire 3-day conference fees are $395 for members, $425 for others. For additional information on the conference and forum contact the Data Center at 202/293-1040 or write to Two Lafayette Centre, 1133 21st Street, NW, Washington, D.C. 20036. ##

Winter Travel Rose 7 Percent in 87-88 Season

Travel by U.S. residents during the winter of 1987-88 climbed 7 percent, according to the US Travel Data Center's National Travel Survey.

The monthly telephone survey revealed that travelers in December, January, and February took 240.6 million person-trips. (A person-trip is measured each time anyone goes 100 miles or more away from home.)

The largest gains appeared in vacation travel, up 11 percent to 154.2 million, and in trips taken by auto/truck/RV which rose 12 percent to 184.5 million.

Pleasure and weekend travel also increased during the winter, up 6 percent and 7 percent respectively. Business travel posted a slight drop.

While travel by air remained virtually unchanged, use of hotels and motels fell by 4 percent.

During the 1987-88 winter months, the average trip covered 4.1 nights, down slightly from 4.4 nights a year ago.

Average round-trip distance fell from 1,110 miles in 1986-87 winter months to 920 miles last winter.

In March 1988 travel jumped 6 percent over last year. Americans took 79.2 million person-trips, said the National Travel Survey.

Vacation travel rose 15 percent and pleasure travel rose 4 percent; however, weekend travel dropped slightly.

Business/convention travel posted a 10 percent gain over year-earlier levels. Travel by auto/truck/RV also rose 10 percent, while air travel showed a mild decline.

Average round-trip distance dropped slightly from 1,000 miles last March to 980 this year. The average trip duration fell to 4.6 nights from 5.1 nights during March of 1987 according the National Travel Survey. ##

Visitor Volume at National Parks

Region	MARCH 1988 visits	Change from MARCH 1987* (percent)	Percent change 1988/1987* Year-to-Date
NEW ENGLAND	434,009	3	6
MIDDLE ATLANTIC	1,536,840	-6	-3
SOUTH ATLANTIC	5,853,994	0	7
EAST SOUTH CENTRAL	1,581,698	13	3
EAST NORTH CENTRAL	234,622	8	16
WEST NORTH CENTRAL	423,415	47	21
WEST SOUTH CENTRAL	781,134	6	-2
MOUNTAIN	2,167,048	26	12
PACIFIC	3,419,082	16	7
TOTAL	16,431,842	8	6

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

States comprising the Census regions: **NEW ENGLAND:** Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **MIDDLE ATLANTIC:** New Jersey, New York, Pennsylvania. **SOUTH EAST:** Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia. **EAST NORTH CENTRAL:** Indiana, Illinois, Michigan, Ohio, Wisconsin. **WEST NORTH CENTRAL:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **WEST SOUTH CENTRAL:** Arkansas, Louisiana, Oklahoma, Texas. **MOUNTAIN:** Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **PACIFIC:** California, Oregon, Washington; As destinations only: Alaska and Hawaii.

Current Travel Indicators

CURRENT TRAVEL INDICATORS

	Current Month	Current Value	Percent Change From Previous Month	Percent Change From Year-ago Month	Percent Change Year-to-date 1987/86
Establishment receipts or retail sales					
Hotels, motels and other lodging places(1)	Mar	$ 4,830 million	7.5	8.5	7.5
Eating and drinking places(2)	Mar	$12,682 million	0.4	5.1	3.7
Gasoline service stations(2)	Mar	$ 9,040 million	3.7	7.7	8.5
Commercial lodging demand					
Hotel/motel occupancy rate(3)	Mar	62.6 percent	2.8	-0.2	-0.5
Real demand for commercial lodging(4)	Mar	60.4 million	10.8	3.8	3.3
Airline passenger traffic(5)					
Domestic revenue passenger-miles	Mar	28.7 billion	21.2	-0.8	1.0
International revenue passenger-miles	Mar	6.6 billion	26.8	24.6	24.9
Highway traffic volume(6)					
Rural arterial vehicle-miles	Mar	40.1 billion	25.9	6.8	5.6
Rail passenger traffic(7)					
Amtrak passenger-miles	Mar	453.9 million	20.8	23.6	21.3
Travel Price Index(8)	Mar	118.8	1.8	4.9	4.5
U.S. resident travel					
Total person-trips (9)	Feb	59.2 million	-21.3	9.6	12.5
Vacation person-trips (9)	Feb	36.3 million	-17.5	26.9	22.6
Total person-nights (10)	Feb	199.0 million	-38.6	-6.9	5.3
Vacation person-nights (10)	Feb	122.0 million	-43.3	-8.3	1.4
Public use of national parks(11)					
Visits	Mar	16,431,842	48.8	8.0	6.0
Overnight stays	Mar	741,061	51.4	20.0	9.0
Foreign arrivals in U.S.					
From overseas (12)	Feb	757,906	-3.0	24.3	25.7
From Canada (13)	Mar	1,109,282	51.2	-0.8	4.5
From Mexico (12)	Feb	52,956	3.9	15.1	11.1
U.S. citizen departures					
To overseas (12)	Feb	876,888	-7.0	8.4	5.8
To Canada (13)	Mar	518,335	3.0	2.1	5.6
Domestic demand for motor gasoline(14)					
Barrels per day	Mar	7,196 thousand	2.7	4.0	3.8

N/A = not available

(1) Source: Smith Travel Research, seasonally unadjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary; revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: US Travel Data Center and Bureau of Labor Statistics. (9) Source: US Travel Data Center. (10) US Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 1% arrivals only. (13) Statistics Canada (14) Preliminary; Source: U.S. Department of Energy.

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CORRECTION

Correction: The Travel Price Index chart for January, which was included in the April Travel Printout, was printed incorrectly. The corrected version is listed below:

Monthly and Annual Rates of Change in the Travel Price Index and Components
January 1988

TPI Component	Monthly Percent Change December 1987 to January 1988	Annual Percent Change January 1987 to January 1988
Transportation	-1.8	5.7
Airline Fares	-0.6	0.7
Other Intercity Trans.	0.3	1.8
Intracity Public Trans.	0.3	2.4
Motor Fuel	-2.8	9.5
Lodging	4.8	6.0
Food and Beverages Away From Home	0.4	3.6
Entertainment	0.8	7.3
TRAVEL PRICE INDEX	1.2	4.7
CONSUMER PRICE INDEX	0.3	4.0

Source: US Travel Data Center and U.S. Bureau of Labor Statistics